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**UNITED STATES BANKRUPTCY COURT**

**DISTRICT OF NEVADA**

In re

FUTURE LEGENDS 5, LLC,

Debtor.

Case No. 24-51031-hlb

Chapter 11

**DECLARATION OF  
JEFF KATOFSKY IN  
SUPPORT OF DEBTOR'S  
MOTION FOR TURNOVER  
PURSUANT TO 11 U.S.C. § 543**

Hearing Date: November 8, 2024  
Hearing Time: 4:00 p.m.

I, Jeff Katofsky, declare as follows:

1. I am the Managing Member of Future Legends 5, LLC. I make this declaration in support of *Debtor's Motion For Turnover Pursuant To 11 U.S.C. § 543* and for all other purposes authorized by law.

2. Except as otherwise indicated herein, this Declaration is based upon my personal knowledge. I am over the age of 18 and am mentally competent. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

1           3.       The Future Legends Project is a 118-acre facility, located in Windsor, Colorado, that  
2 has been designed to be a premium destination for sports and events. It is intended to be one of the  
3 country's elite sports facilities for players of all ages and skill levels and is designed to host guests  
4 for major indoor and outdoor sports tournaments, events, leagues, and more. The primary source of  
5 demand for the Future Legends Project is youth tournaments which include baseball, soccer,  
6 basketball, volleyball, lacrosse, softball, flag football, e-sports, gymnastics, wrestling, pickleball, and  
7 miscellaneous events.

8           4.       The Future Legends Project has been designed to be comprised of various buildings  
9 and venues, described generally by purpose below, as follows:

10           a.   Dormitory. Lodging for players and coaches of the tournaments will be provided  
11 by a 64-room, 900+ bed Dormitory on site, which when constructed will allow  
12 the players to stay together in a bunk room setting that encourages team  
13 comradery and bonding at a lower rate than typical hotel stays.

14           b.   Stadiums. The overall design includes a professional stadium (known as the  
15 TicketSocket Stadium) and a collegiate stadium (known as the 4Rivers Stadium).  
16 The professional stadium – designed for 6,000-seats and 8,000 square feet of  
17 restaurants – is home to the Northern Colorado Owlz, a professional baseball  
18 team in the Pioneer League, a partner with Major League Baseball. The  
19 professional stadium will also host two United Soccer League minor leagues, for  
20 men and women, the Colorado Hailstorm FC and the Northern Colorado Rain  
21 FC. The pro team sports are another major draw to the site both for locals,  
22 tournament operators and organizations seeking facilities, and guests and  
23 spectators of the pro sports teams.

24           c.   Dome. The Dome is ten stories high and one of the three largest multi-sport  
25 domes in the world. The Dome is large enough to accommodate one full size  
26 soccer field, or two youth baseball fields, and sixteen regulation volleyball  
27 courts, or eight regulation basketball courts. The Dome connects to the  
28 Clubhouse, which is a two-story bar and restaurant, with views inside the Dome

1 to the north and into the professional stadium to the south. The primary use of  
2 the Dome is ancillary to the outdoor events – used for overflow, warm up and  
3 practicing, while events that create income occur outside the Dome.

4 d. Hotels. The Hotels include a Hampton Inn and a Hilton Garden Inn, which  
5 include upscale lodging for players, families, guests, and pro sports spectators  
6 on-site with rooms that overlook the professional stadium. The Hampton Inn will  
7 have 108 rooms, and the Hilton Garden Inn will have 147 rooms, for a total of  
8 255 rooms when constructed.

9 e. Retail. The Retail Plaza is 63,698 square feet of space designed to provide food  
10 and shopping to guests on-site, when constructed, including locally owned  
11 restaurants and well-known national food chains. Much of the retail space has  
12 been pre-leased.

13 5. In 2023, the Future Legends Project, despite only being about 10% open, had  
14 approximately 700,000 visitors. Those numbers are on pace to increase in 2024. Presently, business  
15 is primarily comprised of youth sports tournaments, academies, practices, and clinics. Thousands of  
16 children play various sports weekly on site, mostly outside. Ancillary to that are three professional  
17 sports teams, all of whom presently play in 4Rivers Stadium, and are attended by close to a quarter  
18 million people. Once the Dormitory (and Hotels) are complete, participants will stay on site as well.  
19 Gross Revenue in 2023 was approximately \$8 Million. In addition, a substantial portion of the Town  
20 of Windsor's parks and recreation use the facility, mostly for baseball, softball, and soccer under a  
21 multi-year agreement. The above events require significant staffing such as event coordinators,  
22 maintenance workers, counselors, coaches and teachers, supervisors, health, safety and medical  
23 professionals, concession and merchandise operators, cleaning, and security. In all, the Future  
24 Legends Project presently employs nearly 200 people, on its way to over 600 once complete.

25 6. Throughout its 118 acres, the Future Legends Project is comprised of seven distinct  
26 and separate parts with seven separate ownership entities and multiple different loans and lenders as  
27 follows:  
28

- a. Future Legends, LLC owns approximately 100 acres which includes the 4Rivers Stadium, multiple outdoor fields, roads, parking lots, concessions, and the maintenance buildings. This land surrounds the vertical improvements. Presently, most of the business on site occurs in this part of the Future Legends Project. The Lender for these areas is Ignite Funding.
- b. Future Legends 1, LLC is the owner of the approximately four acre parcel that comprises the professional stadium known as the TicketSocket Stadium, otherwise referred to as Lot 2. The stadium is approximately 60% complete; however, this parcel is not in use. The Lender on the professional stadium is US Eagle Federal Credit Union.
- c. Future Legends 2, LLC is the owner of the parcel that contains a hotel, the Hampton Inn. Construction is just under way, and the hotel is not yet in use. The Lender on this parcel is Second Street Developers, LLC.
- d. Future Legends 3, LLC is the owner of the parcel that contains a hotel, the Hilton Garden Inn. Construction is underway, and the hotel is not yet in use. The Lender on this parcel is Second Street Developers, LLC.
- e. Future Legends 4, LLC is the owner of the approximately two acre Dormitory parcel, otherwise referred to as Lot 5. This building is approximately 80% complete and not yet in use. The Lender is US Eagle Federal Credit Union.
- f. Future Legends 5, LLC is the owner of the approximately five acre Dome parcel, otherwise referred to as Lot 1. Part of this parcel is open and in use under a Temporary Certificate of Occupancy ("TCO") issued by the Town of Windsor. The Dome connects to the Clubhouse, which is a two-story bar and restaurant. The restaurant portion in the clubhouse is more than 95% complete. This entity has no employees. The Lender is US Eagle Federal Credit Union. The Tenant for this parcel is Future Legends, LLC under a lease agreement (referenced below).

1 g. Future Legends 6, LLC is the owner of the Retail parcel. Construction has  
2 barely begun. The Lender is Ignite Funding.

3 7. In early 2019, I, and Chris Balestrino, the Managing Director of Madison One on  
4 behalf of US Eagle Federal Credit Union, had conversations regarding the financing of the Future  
5 Legends Project under certain United States Department of Agriculture (“USDA”) loan programs.

6 8. Discussions continued over several months regarding the applicability and the  
7 viability of the USDA programs, and applicable loan terms. At the time, the USDA had a loan cap  
8 of \$10,000,000 per borrower and \$50,000,000 per principal. Thus, with effectively a \$10,000,000  
9 loan availability, the USDA program did not appear to work for the Future Legends Project because  
10 insufficient funds could not be borrowed.

11 9. Given that the loan amounts were insufficient, Chris Balestrino came up with a plan.  
12 Mr. Balestrino advised me to separate each building into a separate limited liability company. As  
13 part of his plan, each separate limited liability company would be a borrower, allowing US Eagle  
14 Federal Credit Union, through the USDA program, to underwrite five separate \$10,000,000 loans  
15 (for a total of \$50,000,000). Based upon Chris Balestrino’s plan, on July 23, 2020, I created five  
16 separate Nevada limited liability companies on July 23, 2020 – Future Legends 1, LLC; Future  
17 Legends 2, LLC; Future Legends 3, LLC; Future Legends 4, LLC; and Future Legends 5, LLC – for  
18 the purpose of each entity holding a different vertical building at the Future Legends Project.  
19 Thereafter, during Covid, the USDA lending limits changed. At that time, since no loan had yet  
20 closed, it was decided to only finance three, rather than five, parcels, resulting in loans on the  
21 Stadium, Dormitory, and Dome.

22 10. In the Spring of 2022, Mr. Chris Balestrino realized, in reformulating the Dome loans,  
23 that there was an issue with the then ownership of the Dome property and the fields which were  
24 financed by Ignite Funding because both properties were in the name of Future Legends, LLC.  
25 Specifically, as set forth above, Future Legends, LLC owns areas that include the 4Rivers Stadium,  
26 multiple outdoor fields, roads, parking lots, concessions, and the maintenance buildings. As such,  
27 Chris Balestrino demanded that I change the Dome ownership from Future Legends LLC to one of  
28 the numbered entities – namely Future Legends 5, LLC.

1           11.     On May 1, 2022, Future Legends, LLC (seller) and Future Legends 5, LLC (buyer)  
2 entered into a Purchase and Sale Agreement with regard to the following described real property:

3                     Lot 1, Diamond Valley Subdivision 10th Filing, per plat recorded June 25, 2021 as  
4                     Reception Number 4729306, County of Weld, State of Colorado.

5           12.     On August 1, 2024, Future Legends 5, LLC (as the landlord) and Future Legends,  
6 LLC (as the tenant) entered into a Lease Agreement for the premises located at 1090 Future Legends  
7 Drive (the "Lease Agreement").

8           13.     On August 30, 2024, US Eagle Federal Credit Union filed a Verified Forthwith  
9 Motion for *Ex Parte* Appointment of Receiver Pursuant to Contract and C.R.C.P. 66 in District Court,  
10 Weld County, State of Colorado ("Colorado Court").

11           14.     On September 3, 2024, the Colorado Court entered an Order Appointing Receiver  
12 Pursuant to Contract and C.R.C.P. 66 ("Receiver Order").

13           15.     The Receiver Order defines the "Borrowers" and the "Receivership Property" as  
14 follows:

15                     Borrowers and Respondents to the ex parte motion, Future Legends LLC,  
16                     Future Legends 1, LLC and Future Legends 4, LLC, all of which are Nevada  
17                     limited liability companies and are the owners of certain corporate assets  
18                     located in Weld County, identified as:

19                     (i) 1000 Future Legends Drive, Windsor, Colorado, 80550;

20                     (ii) **1090 Future Legends Drive, Windsor, Colorado 80550;**

21                     (iii) 940 Owlz Way, Windsor Colorado 80550; and

22                     (iv) Any personal property, records, documents, plans, materials, or other  
23                     tangible or intangible assets of Borrowers related to the above identified  
24                     parcels.

25                     emphasis added)(collectively, the "Property").

26           16.     Future Legends 5, LLC is not a party to the Receiver Order.

27           17.     The address of "1090 Future Legends Drive" in the Receiver Order is the street  
28 address for the Dome/Clubhouse.

          18.     The Receiver Order further provides that Cordes & Company LLP is the appointed  
receiver for the Property ("Receiver").

          19.     The Receiver Order was amended on September 18, 2024, and as amended, provides  
that it applies to the following real property:

- Lot 1, Diamond Valley Subdivision 10th Filing, per Plat recorded June 25, 2021, as Reception Number 4729306, County of Weld, State of Colorado;
- Lot 2, Diamond Valley Subdivision 10th Filing, per Plat recorded June 25, 2021, as Reception Number 4729306, County of Weld, State of Colorado; and
- Lot 6, Diamond Valley Subdivision 10th Filing, per Plat recorded June 25, 2021, as Reception Number 4729306, County of Weld, State of Colorado.

20. As set forth above, the Receiver Order originally extended to “1090 Future Legends Drive, Windsor, Colorado 80550,” but as amended became limited to “Lot 1, Diamond Valley Subdivision 10<sup>th</sup> 6 Filing, per Plat recorded June 25, 2021 at Reception Number 4729306, County of Weld, State of Colorado” (the “Dome and Clubhouse”). Thus, although Future Legends 5, LLC, is not a party to the Receiver Order, the Receiver Order identifies the Debtor’s property, Lot 1.

21. On October 11, 2024, the Receiver filed the Receiver’s Emergency Motion To Reject Lease Agreement And Recognize Subordination Of Future Legends 5, LLC’s Rights In The Dome Property (“Receiver Rejection Motion”). As set forth in the Receiver Rejection Motion, the Receiver asserts that it learned that a portion of the receivership property was subject to the Lease Agreement between Future Legends, LLC and Future Legends 5, LLC. The Lease Agreement covers the Dome property, a revenue producing facility. The Receiver argued that the Lease Agreement is invalid as a matter of law because Future Legends 5, LLC has no ownership in the Dome property. The Receiver requested entry of an order authorizing the Receiver to reject and/or terminate the Lease Agreement and hold that Future Legends 5, LLC’s rights, if any, in the Dome property are subordinate or invalid as to the Receiver.

22. On October 15, 2024, Future Legends, LLC and Future Legends 5, LLC filed an opposition to the Receiver’s Rejection Motion. In this opposition, Future Legends, LLC and Future Legends 5, LLC first state that: (a) the Receiver ignores the executed Purchase and Sale Agreement which establishes that Future Legends 5, LLC is the owner of the Dome property; and (b) the Receiver’s argument that the Purchase and Sale Agreement is not enforceable with regard to US Eagle Federal Credit Union and the Receiver because it is unrecorded is wrong because the Receiver fails to reference the statutory exception to an unrecorded instrument or document that establishes

1 that the unrecorded document is valid against those that have notice of the document prior to the  
2 acquisition of such rights. The unrecorded Purchase and Sale Agreement is enforceable as to US  
3 Eagle Federal Credit Union (and the Receiver) as the Purchase and Sale Agreement was known to  
4 US Eagle Federal Credit Union as its agent, Chris Balestrino, had requested that the property be  
5 transferred from Future Legends, LLC to Future Legends 5, LLC in June of 2022.

6 I declare under penalty of perjury under the laws of the United States that the foregoing is true  
7 and correct.

8 Executed on the 23rd day of October, 2024.

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Signed by:  
  
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Jeff Katoisky